

State of New Mexico
Energy, Minerals and Natural Resources Department

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Division Director
Oil Conservation Division



ADMINISTRATIVE CENTRAL TANK BATTERY ORDER

Administrative Order CTB-702
Administrative Application Reference No. pMAM1407035485

April 14, 2014

Chevron USA Inc
Attention: Cindy Herrera-Murillo

Chevron USA Inc (OGRID 4323) is hereby authorized to surface commingle gas production from Triste Draw; Bone Spring (**96603**) from the following leases and wells:

<u>Name</u>	<u>API No.</u>	<u>Footages</u>
<u>ULSTR</u>		
McCloy Ranch 2 24 32 State Com Well No. 1H 30-025-40551	100 FSL&1980 FWL	
N-2-24S-32E		
McCloy Ranch 2 24 32 State Com Well No. 2H 30-025-40860	100 FSL&400 FWL	
M-2-24S-32E		
McCloy Ranch 2 24 32 State Com Well No. 4H 30-025-40861	100 FSL&660 FEL	
P-2-24S-32E		
J Keats 1 24 32 Well No. 40H	30-025-41582	330 FSL&4000 FEL
P-1-24S-32E		

All in NMPM, Lea County, New Mexico

The commingled gas production from the wells detailed above shall be measured and sold at the McCloy Ranch 2 24 32 Well No. 1H central tank battery (CTB), located in Unit N, Section 2, Township 19 South, Range 32 East, NMPM, Lea County, New Mexico.

The gas production from each well shall be continuously measured with allocation meters before commingling with production from other wells. The allocation meters shall be calibrated quarterly in accordance with Rule 19.15.12.10.C (2) NMAC. The commingled gas production shall be allocated back to each well on BTU basis, not on volume basis.

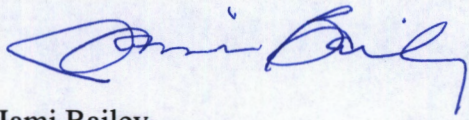
This installation shall be constructed and operated in accordance with the applicable Division Rules. The commingling of liquid hydrocarbon is **NOT** authorized. It is the responsibility of the Chevron USA to notify the transporter of this commingling authority.

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This approval is subject to like approval from the Bureau of Land Management and New Mexico State Land Office before commencing commingling operations.

DONE at Santa Fe, New Mexico, on April 14, 2014



Jami Bailey
Division Director

JB/mam

cc: Oil Conservation Division – Hobbs
Bureau of Land Management – Carlsbad
New Mexico State Land Office – Oil, Gas and Minerals